

MEMORANDUM

To: The Honorable Gray Davis, Governor of California
The Honorable Bruce Babbitt, Secretary of Interior

From: Ag and Urban Development Team Members:

Wally Bishop, Contra Costa Water District
Tom Clark, Kern County Water Agency
David Guy, Northern California Water Association
Dan Nelson, San Luis & Delta-Mendota Water Authority
Tim Quinn, Metropolitan Water District of Southern California
Jason Peltier, Central Valley Project Water Association
Allen Short, Modesto Irrigation District
Steve Hall, Association of California Water Agencies

Date: November 5, 1999

Re: CALFED Water Management Development Team Process Issues

Following your meeting on August 18, you jointly announced that you had directed CALFED and agency staff to develop a framework by the end of the year to meet the challenges of restoring the health of the estuary while providing more reliable supplies of clean water for cities, farms and fish. Actions included a framework for an Environmental Water Account (EWA) and an Integrated Storage Investigation, as well as considering the impacts of Interior's decision on managing the 800,000 acre feet of yield dedicated to fish under the federal Central Valley Project Improvement Act (B2) through the CALFED process. To accomplish that direction, CALFED established the Water Management Development Team process, which we were asked to participate in, to recommend a framework for the EWA and water supply reliability.

We were pleased to provide assistance to this effort when it was first established. However, we are disturbed about how decisions are being made in the process and the resulting direction of the Development Team.

At the October 12th meeting of the Development Team there was a decision to look at three general scenarios for water management actions that the Coordination Team was to evaluate. One scenario was based on the DOI interpretation of how to manage the 800,000 AF dedicated to fish under b(2) of the CVPIA, one on an environmental version of b(2), and one on a water user version of b(2). Following that

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meeting, the agency representatives decided to eliminate the environmental and water users alternatives.

We are very concerned that the Development Team's decisions are being changed by a small number of agency representatives. These same individuals are participating in the Development Team meetings and decisions. This is not how we understood this process would be run. If we are to participate, CALFED must make a commitment that our participation will be meaningful and that the Development Team's decisions will not be changed between meetings.

We have two more basic concerns. We believe that in this process a broad range of alternatives, such as those agreed to at the October 12 meeting, must be evaluated, including scenarios proposed by us and the environmental community. Some of our scenarios, for example, would emphasize actions that improve water quality and avoid fisheries actions that would degrade water quality. We now have only those that conform to DOI's interpretation of how b(2) water is to be accounted for and are unlikely to provide an adequate level of water supply or water quality.

We are also concerned about how these scenarios will be evaluated. We support a comprehensive analysis of each scenario that would consist of the following:

- A quantitative evaluation of the fisheries population level effects of proposed actions, using ranges to reflect uncertainty. The evaluation should reflect serious disagreements about the underlying science. Scientific peer review is necessary at least to identify these disagreements and to resolve some of them if possible.
- A comparison of these benefits with the benefits that will result from other, non-water environmental components of the CALFED program.
- An evaluation of the water quality effects, quantified with respect to the parameters of concern to urban water users.
- An evaluation of water supply effects consisting, at a minimum, of the drought period and average year effects.
- An evaluation of the benefits, risks, degree of uncertainty associated with the various scenarios or actions.

At the October 26th meeting of the Development Team, federal representatives said that it is not possible to analyze fisheries population level effects or to compare water and non-water environmental benefits. We disagree. We believe this can and must be done if there is to be a credible level of biological and financial accountability in the implementation of these programs.

In general, we believe that in the development and evaluation of scenarios, we should temporarily set aside our positions regarding b(2) and other baseline issues for

the sake of evaluating new approaches. We have a serious gap to bridge, and we must not eliminate any new ideas or innovative approaches that might help us bridge that gap. We believe that an informed discussion which recognizes that there are different perspectives provides the best opportunity for optimizing water supply, water quality and fisheries improvements.

We now have serious concerns about the viability and value of this effort. It is time to deal with these issues head on rather than having them finessed. For the time being, we will continue to participate because you asked us to help. However, we do not believe that this current process will accomplish what you expected, or what we expected. We wanted you to be aware of our serious concerns as we all decide how to proceed.

cc: Steve Ritchie
Ag/Urban Policy Group Members